



**MEETING OF THE HEALTH BENEFITS COMMITTEE OF THE RETIREMENT BOARD
OF THE COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND
OF COOK COUNTY AND EX OFFICIO FOR THE FOREST PRESERVE DISTRICT
EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY
33 N Dearborn St, Suite 1000
Chicago, Illinois 60602**

Minutes for the August 20, 2015 Meeting

The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County Fund are herein collectively referred to as the "Fund." **All committee recommendations are preliminary in nature; as such, they are subject to review and approval by the full Retirement Board.**

Call to Order and Roll Call.

Trustee Committee Members Present: John Fitzgerald (Chair), Patrick McFadden, Diahann Goode Brent Lewandowski, Sam Richardson, Alexis Herrera, and Patrick Nester

Staff Present: Nickol Hackett, Executive Director; Staff: Brenda Deming, Tonya Jackson and Courtney Hollins

Others Present: Jessica Streit, Chris Heppner and John Gingell of Segal Consulting

Public Comment.

Trustee Fitzgerald asked if anyone present would like to address the Committee. There being no public comment, the meeting continued.

1. Review and Consideration of the June 25, 2015 Health Benefits Committee Meeting Minutes.

It was moved by Trustee Richardson and seconded by Trustee Lewandowski to approve the minutes.

2. Expense Projection and Rates for 2016

Ms. Deming presented an executive summary of the health and pharmacy plan management efforts and their respective outcomes for 2015 year to date. It was noted that pricing improvements in the pharmacy contract were projected to reduce expense by \$3,000,000. The change in medical plan administrators to UHC was projected to reduce plan expense by \$1.1 million through Q2, and has

exceeded projected savings by \$1.9M through Q215 for a total of \$3 million below budget. Additionally, the adoption of expanded clinical programs for disease management will contribute to reduction in medical plan in 2016 and beyond. The pharmacy component of overall plan expense is above projected by 3.3 million due to an increase in specialty drugs. This trend is expected to continue for the next several years. Ms. Deming suggested that the fund evaluate the option of moving from the current RDS reimbursement method to full participation in Medicare Part D through an Employer Group Waiver Plan which would increase federal reimbursements through CMS.

3. Specialty Pharmacy Recommendations

Following a review with Segal's pharmacy consultant, Ms. Streit and Ms. Deming presented three recommendations to control drug expense. Recommendation one is to provide half of a 30 day prescription for chemotherapy drugs as they are often not well tolerated and subsequently wasted. Recommendation 2 is to implement the CVS step therapy plan for Specialty Medications. This new formulary would include a program to block coverage for new to market medications until a thorough clinical review could be performed. The final recommendation is to cover the condition of Hemophilia under the medical plan rather than under the pharmacy plan. It was moved by Trustee McFadden and seconded by Trustee Herrera to make a recommendation to the Board to accept the proposed changes and implement upon Board approval.

Review of Plan Design and Member Cost Share

Chris Heppner presented the renewal projection for the medical plan for 2016. The plan is projected to increase by 12.2%. Mr. Heppner was unable to model the effect of the pharmacy recommendations and so agreed to have that prepared for a subsequent review. The Trustees discussed the projection, and the effect of increasing plan expense due to high pharmacy expense and also additional members each year. Ms. Deming stated that on average, plan membership grows by about 200 members net of terminations each year, which accounts for an additional \$2M of expense annually at this time.

The Trustees discussed possible plan changes to mitigate the increase, and requested to see copay increases on pharmacy copays, and also increases to the Choice Plan copays. Since each plan is rated separately, the increase affects each plan separately. The Choice Plus plan experience was less than expected, and so did not reflect a large increase. The Trustees discussed that this plan is actually the most expensive in total Fund expense. There was also discussion on the concept of the Fund subsidizing a fixed dollar amount annually, and that members would pay the difference if they selected a higher cost plan. It was agreed that all plan design change scenarios would be presented at the September 24, 2015 and that rates would be recommended after being finalized on that date.

4. Vision Plan Review and Alternatives for 2016

Ms. Streit reintroduced the top three proposals for a standalone vision plan that had been presented earlier in the year. Ms. Deming provided a summary of the year-to-date expense for the current plan. After discussion on the current vision benefit and claims process administered by UHC, the Trustees evaluated the administrative procedures necessary to set up and administer a new plan with a new vendor. It was moved by Trustee Goode to accept the bid of UHC Spectera for vision coverage for

2016. Trustee Goode withdrew her motion as it was not seconded. Trustee McFadden moved to select Davis Vision, which was also not seconded.

The Trustees inquired about the information system requirements for both Davis vision and EyeMed. Staff indicated more information was needed to provide the changes and time schedule required to add a new vendor, and that additional research would be done. The Trustees did not take a decision on selection of a vision vendor or continuance of the current vision benefit.

5. Adjournment

It was moved by Trustee Herrera and seconded by Trustee Nester to adjourn the meeting.